



Request for Proposals for the Kentucky Clean Diesel Grant Program

**Issued by:
Kentucky Division for Air Quality
October 3, 2012**

**Project Proposal Deadline:
November 14, 2012**

Submit completed proposals electronically to:

**Laura Lund
Laura.Lund@ky.gov**

Summary

The Kentucky Division for Air Quality (DAQ) announces the availability of funds and solicits proposals for projects to implement diesel emissions reduction strategies in Kentucky's nonroad and onroad diesel fleets. Approximately \$135,000 is available through this competitive funding opportunity.

Background

Reducing emissions from diesel engines is one of the most important air quality challenges facing the country. There are approximately 20 million mobile-source diesel engines in operation nationwide, and these engines annually account for approximately 300,000 tons of particulate matter (PM) emissions and 6.4 million tons of nitrogen oxides (NOx), which contributes to the formation of ozone. Even with more stringent heavy-duty highway and non-road engine standards taking effect over the next decade, millions of diesel engines already in use – known as the “Legacy Fleet” – will continue to emit large amounts of PM, NOx, and toxic air pollutants. These pollutants contribute to a range of public health problems, including asthma, lung cancer, and many serious cardiac and respiratory diseases. These health problems result in thousands of premature deaths, millions of lost work and school days, and numerous additional negative health and economic impacts annually.

To meet the challenge of reducing exhaust from older diesel engines, DAQ has been awarded \$134,809 to administer the 2012 Kentucky Clean Diesel Grant Program through the U.S. Environmental Protection Agency's (EPA) State Clean Diesel Grant Program. This program will assist entities across Kentucky in building sustainable diesel emission reduction programs, thus adhering to the Division's mission to protect human health and the environment by achieving and maintaining acceptable air quality.

Funding

The total funding for this competitive opportunity is \$134,809. Funding requests must fall within the eligible funding range of \$50,000 to \$134,809 per proposal. Proposals which request DAQ assistance funds below or in excess of the applicable amounts specified are not eligible and will not be reviewed.

This funding may only be used to fund the eligible diesel emission reduction solutions described below. DAQ will not fund additional project costs, such as administrative costs. Awards made through this grant program may not be used by the applicant to make sub-awards or fund partnerships. Funds received must be utilized directly by the applying party.

Eligible Entities

Under this solicitation, any public or private entity located in the Commonwealth of Kentucky that owns and operates its own eligible diesel vehicles, engines, and/or equipment, is eligible to apply for assistance. This includes but is not limited to: any city, county, or other local government agency; private organizations or businesses; universities; school districts; and nonprofits.

Eligible Vehicles, Engines, and Equipment

A single proposal may target multiple fleets, fleet types, and/or diesel emissions reduction solutions. Projects may include diesel emissions reduction solutions from the following heavy duty diesel emissions source types:

- Medium-duty or heavy-duty onroad vehicles
 - Model years 1989 – 2006
- Transit or school buses
 - Model years 1989 – 2006
- Marine engines
 - Any marine engine not subject to the 2008 Marine Engine Rule (see Appendix 1)
- Nonroad engines, equipment or vehicles (mining, construction, agriculture, etc.)
 - Any nonroad engine with 7 or more years of useful life remaining (see Appendix 1)
 - Note that, in 2008, new EPA standards began to be phased in for nonroad engines. Projects utilizing post-2008 engines will only be considered if the technology proposed will achieve significant emission reductions beyond those required by EPA regulations at the time of engine certification.

Eligible Diesel Emission Reduction Solutions

Projects funded through this grant program must include one or more of the following diesel emissions reduction solutions that utilize a certified engine configuration and/or a verified technology. A list of eligible EPA-verified technologies is available at www.epa.gov/cleandiesel/verification/verif-list.htm, and a list of eligible California Air Resources Board (CARB) verified technologies is available at www.arb.ca.gov/diesel/verdev/vt/cvt.htm. See Appendix 1 for a more detailed description of these eligible diesel emission reduction solutions.

The list of eligible diesel emission reduction solutions includes:

- Verified Retrofit Technologies
 - DAQ will fund up to 100% of the cost (labor and equipment) of eligible exhaust controls.
- Verified Engine Upgrades
 - DAQ will fund up to 50% of the cost of eligible engine upgrades.
- Verified Idle Reduction Technologies
 - DAQ will fund up to 100% of the cost (labor and equipment) of eligible idle reduction technologies if those technologies are combined on the same vehicle with a new eligible verified exhaust control.
- Certified Engine Repower
 - DAQ will fund up to 50% of the cost (labor and equipment) of an eligible engine repower.
- Certified Vehicle/Equipment Replacement
 - DAQ will fund the incremental cost of a newer, cleaner vehicle or piece of equipment powered by a 2011 or newer model year certified nonroad or highway heavy-duty diesel engine, up to 25% of the cost of an eligible replacement vehicle or piece of equipment.

Project Selection Criteria

Only those proposals that meet the threshold criteria of this RFP will be evaluated according to the criteria set forth below. Each proposal will be rated under a points system based on a total of 100 points possible. Applications for funding will be scored by assessing how well the project meets the following criteria:

- EPA's National Statutory Priorities (50 points)
 - Projects shall, to the greatest extent possible, adhere to EPA's statutory priorities as found in 42 U.S.C. 16132(c)(4). The highest scoring projects will:
 - serve areas of poor air quality (20)
 - be the most cost-effective (15)
 - maximize public health benefits (5)
 - maximize the useful life of certified & verified engine technologies (5)
 - conserve diesel fuel (3)
 - use a community-based multi-stakeholder collaborative process to reduce toxic emissions (2)
- Kentucky Clean Diesel Program Priorities (20 points)
 - Although DAQ will not exclusively limit funding to the following projects, the Division will award additional points for projects that:
 - repower or replace existing engines or vehicles (5)
 - occur within the nonroad sector (5)
 - utilize alternative fuels such as electric and natural gas (5)
 - reduce idling (5)

- Staff Expertise and Capability (15 points)
 - The applicant's staff expertise and ability to successfully manage the grant and implement the proposed project will be evaluated.
- Matching Funds (10 points)
 - The level of matching funds provided to assist in the overall cost of the project will be assessed.
- Fleet Assessment (5 points)
 - Applicants that have their fleet assessed and/or tested by an outside vendor prior to submitting their application, in order to ascertain that their fleet can accommodate the proposed technology, will be awarded additional points.

Project Selection Process

Awards will be made on a competitive basis. Only complete applications submitted by the application deadline will be considered. A review committee consisting of DAQ staff will review each proposal and will assign points to each proposal based on the criteria described above. Proposals will then be ranked and funding recommendations made according to ranking.

DAQ reserves the right to reject any or all proposals or to make fewer awards than anticipated. In appropriate circumstances, DAQ reserves the right to partially fund proposals by funding discrete portions or phases of proposed projects. If DAQ decides to partially fund a project, it will do so in a manner that does not prejudice any applicants or affect the basis upon which the proposal, or portion thereof, was evaluated and selected for award, thereby maintaining the integrity of the competition and selection process.

Important Dates

All grant work must adhere as closely as possible to the timeline detailed below, and all selected applicants must be able to complete their projects no later than **September 30, 2013**. Please note that DAQ will be hosting a Q & A conference call for all interested applicants on **October 17, 2012**. Call details can be found on DAQ's website at www.air.ky.gov.

Grant Timeline	
October 3, 2012	RFP opens
October 17, 2012	Q&A conference call for all interested applicants
November 14, 2012	Grant proposals due
November 28, 2012	Anticipated notification of selection
December 2012-January 2013	Contracts drafted and signed
February 12, 2013	Anticipated award date & project start date
February 19, 2013	Selected grantees issue RFP to solicit bids from vendors
April 1, 2013	Grantees select vendors & begin preliminary fleet analysis

April 10, 2013	Progress report due to DAQ
April 23, 2012	Interim project evaluation and meeting
April 30, 2013	Grantees order equipment
June 15, 2013	Vendor begins equipment installation
June 30, 2013	Interim project evaluation and meeting
July 10, 2013	Progress report due to DAQ
August 15, 2013	All equipment installations complete
September 15, 2013	All invoices and proof of payment due to DAQ
September 30, 2013	End of project period
October 10, 2013	Final report due to DAQ

Proposal Format

Applicants can download all grant information and application forms from DAQ's website at www.air.ky.gov. To obtain a hard copy of materials, please contact Shea Hogan at 502-564-3999 or shea.hogan@ky.gov.

The proposal package ***must*** include the following materials:

- Completed Project Narrative (See Appendix 3)
- Fleet Description (See Appendix 4)

Optional attachments may include:

- Fleet assessment documentation
- Verified/certified technology certificates
- Résumés for all project officers and key personnel
- Letters of Support from your organization's upper management

Proposal Submittal

The closing date for receipt of proposals is Wednesday, **November 14, 2012**. All submissions must be received by DAQ by 4:30 p.m. EST on this date in order to be considered for funding.

Project proposals must be submitted electronically in their original formats (Word format for the Project Narrative and Excel format for the Fleet Description). Optional attachments may be scanned and emailed in conjunction with submittal of other application materials.

All materials should be submitted to Laura Lund at laura.lund@ky.gov by the application deadline. If you are having trouble submitting electronically, please contact Ms. Lund at (502) 564-3999 to discuss alternative methods of submittal, which may be accepted under certain circumstances with prior approval.

Appendix 1: Eligible Technologies and Vehicles

Appendix 2: Quantifying Emissions Reductions, Cost Effectiveness, and Health Benefits

Appendix 3: Project Narrative Template

Appendix 4: Fleet Description Template